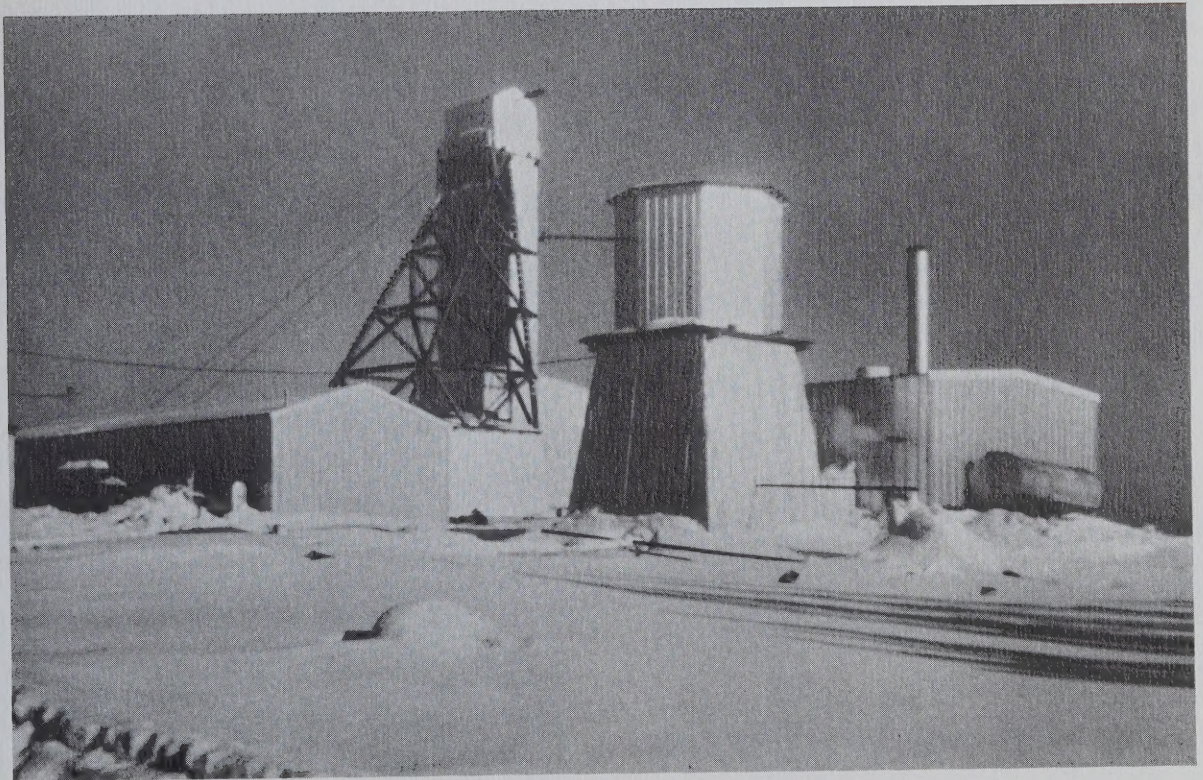


AR05

**ANNUAL**

**REPORT**

**1969**



*File*

**AGASSIZ MINES LIMITED**

# AGASSIZ MINES LIMITED

OFFICERS Charles Dudley Robbins, Toronto, Ontario, *President*  
Lief Mamen, Lynn Lake, Manitoba, *Vice-President*  
Clinton Charles Casselman, Toronto, Ontario, *Secretary Treasurer*

DIRECTORS Charles Dudley Robbins, Toronto, Ontario  
Lief Mamen, Lynn Lake, Manitoba  
Clinton Charles Casselman, Toronto, Ontario  
John William Rundle, Atikokan, Ontario  
Louis Murdock, Winnipeg, Manitoba  
Peter Manitowich, Transcona, Manitoba

HEAD OFFICE 159 Bay Street, Toronto, Ontario

FIELD OFFICE Lynn Lake, Manitoba

CONSULTING ENGINEERS H. J. Bergmann, Montreal, Quebec  
C. W. Archibald, Toronto, Ontario

REGISTRAR AND TRANSFER AGENT Guaranty Trust Company of Canada  
430 Portage Avenue, Winnipeg, Manitoba

SOLICITORS Manley, Grant, Armstrong & Camisso, Toronto, Ontario

BANKERS Canadian Imperial Bank of Commerce, Toronto, Ontario

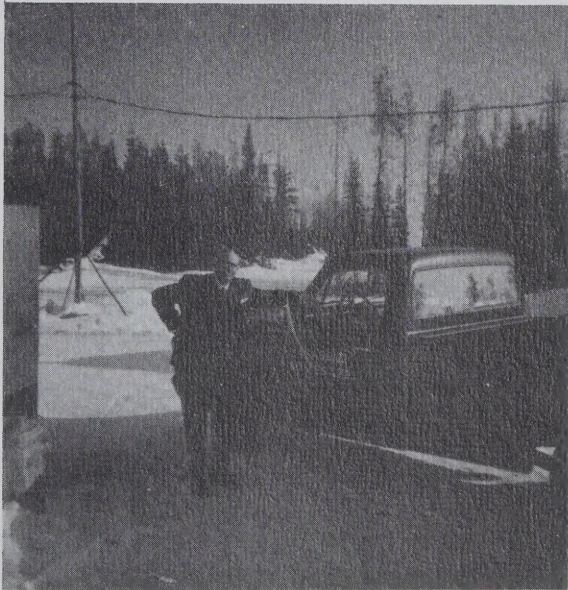
AUDITORS Eddis & Associates, Toronto, Ontario

STOCK EXCHANGE LISTINGS Canadian Stock Exchange, Montreal, Quebec  
Winnipeg Stock Exchange, Winnipeg, Manitoba  
Vancouver Stock Exchange, Vancouver, British Columbia

FRONT COVER PHOTOGRAPH: *Head Frame, Service Buildings, and Water Tank,  
Agassiz Mines Limited, Lynn Lake, Manitoba*

# *Directors' Report to Shareholders . . .*

During this past year Agassiz Mines Limited has made considerable progress in advancing its underground development program. The shaft was completed to 488 feet, 1,140 feet of crosscutting, 1,496 feet of drifting on two levels, and 5,028 feet of underground drilling were completed. There is a complete mining plant on the property, which together with surface buildings represents a capital expenditure of \$283,310.00. In addition the company has spent \$1,065,303.00 on the development of this property, excluding administration, for a total property expense of \$1,348,613.00.



The work has still to be completed on the 450 foot level to reach our high grade zones some 400 feet east of the present heading. The work has been stopped pending additional financing. To date underground work has confirmed surface drill indications as far as we

have gone. Surface and underground drilling have indicated much greater widths below 500 feet than those used in calculating our tonnages — this could materially add to our reserves. A parallel zone on both levels may be significant, and there is still much of the property that is unexplored. Surface drilling a few years ago cut low but significant copper-nickel values in an anomalous area south of our gold zone. In view of our adjoining a large nickel-copper producer these values cannot be ignored. Eventually two new levels, at 600 feet and 750 feet should be developed on our gold zone.

As one of several methods of furthering the development of the Company and its gold property, the Company is considering a merger or an amalgamation with another junior gold mining exploration company. Shareholders will be kept fully informed of the Company's progress in this connection.

Embodied within this year's report is a complete engineer's report on our operations, our findings, and the recommended program for the Lynn Lake property.

On Behalf of the Board,

AGASSIZ MINES LIMITED

Charles D. Robbins  
President

*The following is a report submitted by H. J. Bergmann, P. Eng., Mining Engineer, on August 14, 1969.*

During the past twelve months underground development has been carried out on the Company's gold property in Lynn Lake, Manitoba.

A three compartment shaft has been sunk to a depth of 488 feet with stations at 175, 322 and 448 feet. Cross-cutting to the "H" ore zone has been carried out on the second and third levels, followed by drifting to the east and west on both levels. On the second level drifting was mainly to the west, and on the third level to the east, to obtain the maximum lateral coverage. To date, the following development has been carried out on each level:

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<u>Level</u>	<u>Crosscutting (ft.)</u>	<u>Drift East (ft.)</u>	<u>Drift West (ft.)</u>	<u>Total (ft.)</u>
2nd	544	235	659	1,438
3rd	<u>596</u>	<u>484</u>	<u>118</u>	<u>1,198</u>
Totals:	1,140	719	777	2,636

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In addition, there was a total of 8,102 cubic feet of slashing completed on the two levels.

The "H" ore zone was encountered on both levels where expected and conformed in appearance and values quite well with the surface drill indications. Drifting was carried out on both levels in the zone for a short distance but it was found that excessive slashing was required to follow the zone. As a result, the drifts were put on line and driven

parallel to the gold-bearing zone. The accompanying diagrammatic section shows the underground development completed to date.

The drifting carried out along the zone had considerable dilution and considering this, the values obtained would appear to be comparable to the surface drilling results in this area. The average values obtained while drifting in the ore zone are shown below:

---

<u>Level</u>	<u>Length (ft.)</u>	<u>Av. Width (ft.)</u>	<u>Av. Face Gold Ozs/ton</u>	<u>Samples Silver Ozs/ton</u>	<u>Av. Car Gold Ozs/ton</u>	<u>Samples Silver Ozs/ton</u>	<u>Tons</u>
2nd	104	4.68	0.32	0.77	0.17	0.59	483
3rd	200	5.22	0.29	0.66	0.22	0.54	993

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The car samples are generally lower than the face samples due to dilution.

The underground drilling carried out to date has included flat holes from the line drives to test for the ore zone and parallel zones, as well as some deeper drilling to test for the downward extension of the zone. The total underground drilling carried out to date is 5,028 feet.

The flat drilling from the 201 W drift traced the "H" zone for a length of 360 feet and it is still open to the west. The average width of the zone from drilling is 6.6 and the average grade was 0.20 ozs. gold per ton.

Only a limited amount of flat drilling has been carried out on the bottom 450 foot level but two recent holes gave values of 0.40 ozs. gold and 1.10 ozs. silver per ton over 6.7 feet and 0.20 ozs. gold and 0.40 ozs. silver over

3.8 feet. Both of these holes were drilled where the ore was exposed in the drift so they add to the width of the zone.

The flat drilling has also indicated parallel gold-bearing zones on both levels. Insufficient drilling has been done to determine the significance of the parallel zones but it is encouraging.

Several underground holes have now intersected the "H" zone below the 450 foot level at depths ranging from 30 to 300 feet below the level and widths appear to be greater at the deeper horizons. The intersections below the 450 level are listed below and these are also shown on the accompanying diagrammatic section. Also included are surface holes in this same area which also showed above normal widths for the "H" zone.

<u>Hole No.</u>	<u>Est. true width (ft.)</u>	<u>Vert. Depth (ft.)</u>	<u>Ozs. Gold per ton</u>	<u>Ozs. Silver per ton</u>
<u>Underground</u>				
U3 - 1	5.0	515	0.23	0.53
U3 - 2	9.0	570	0.40	2.14
U3 - 9	26.0	750	0.13	0.38
or	10.0		0.20	0.55
U3 - 15	3.2	480	0.36	0.61
U3 - 16	9.5	510	0.31	0.49
U3 - 17	4.0	650	0.86	1.10
U3 - 18	6.9	535	0.96	2.06
<u>Surface</u>				
65 - 53	17.0	925	0.23	0.39
65 - 44	45.0	1,000	0.28	0.27
65 - 55	16.0	940	0.12	0.46

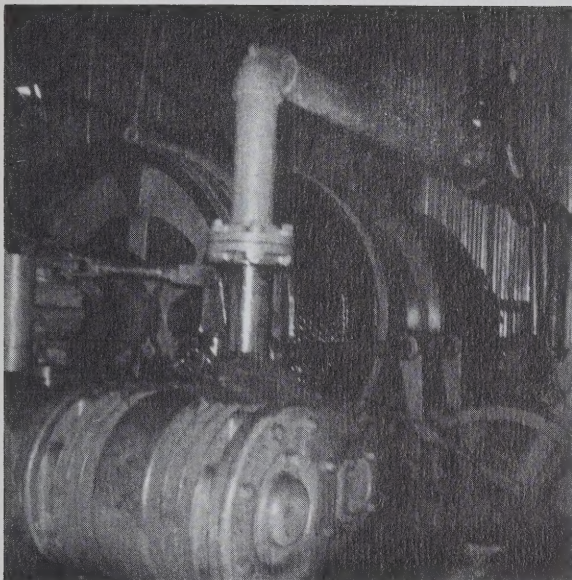
If the trend to greater widths at depth should continue, the tonnage implications are large which would vastly improve the economics of the deposit and allow a lower grade to be mined.

There is not sufficient additional data to

recalculate the ore reserves and the gold-bearing zones to the east have not yet been investigated. This area is shown on the attached section and the grade generally is a little higher. This area should be investigated from the 450 level and the present face is approximately 400 feet from the area.

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LYNN LAKE PROPERTY  
AGASSIZ MINES LIMITED



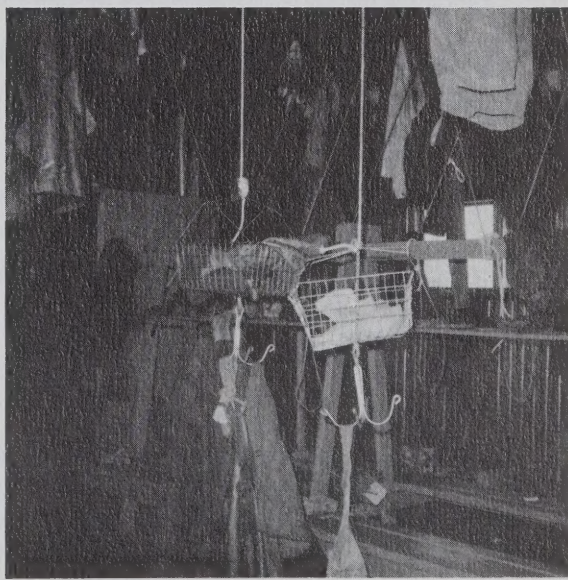
*HOIST*



*ASSAY OFFICE, AGASSIZ PROPERTY*



*COMPANY OFFICE, STATION WAGON*



*MINE DRY*

AGASSIZ MINES LIMITED

(No Personal Liability)

Incorporated under the Laws of the Province of Manitoba

BALANCE SHEET

As At June 30, 1969

ASSETS

	<u>1969</u>	<u>1968</u>
Current assets:		
Cash	50,640	124,731
Accounts receivable	4,958	7,843
Prepaid expenses	<u>3,176</u>	<u>2,593</u>
	<u>58,774</u>	<u>135,167</u>
Investment — 53,000 shares of Pascar Development Corporation Ltd. at cost (quoted market value \$12,190)	<u>24,650</u>	
Mine assets, Lynn Lake, Manitoba — at cost (note 1):		
Buildings and headframe	146,158	92,216
Machinery and equipment	121,438	45,709
Automotive equipment	<u>15,714</u>	<u>12,774</u>
	<u>283,310</u>	<u>150,699</u>
Mining claims (note 2)	<u>189,750</u>	<u>195,150</u>
Participation in oil exploration programmes (note 3)	<u>9,376</u>	<u>9,376</u>
Deferred exploration and development, including administrative expenses	<u>1,280,778</u>	<u>568,254</u>
Other assets:		
Deposits	1,460	3,260
Advances to other mining company		5,731
Office equipment, at cost	<u>4,770</u>	<u>2,509</u>
	<u>6,230</u>	<u>11,500</u>
	<u>\$1,852,868</u>	<u>\$1,070,146</u>

## LIABILITIES

	<u>1969</u>	<u>1968</u>
Current liabilities:		
Accounts payable and accrued liabilities	<u>123,553</u>	<u>33,883</u>

## Shareholders' Equity

Capital stock (notes 4 and 5)		
Authorized:		
5,000,000 shares of no par value to be issued for a consideration not exceeding \$2,750,000		
Issued and fully paid:		
4,716,667 shares (1968 – 3,500,000 shares)	1,780,481	1,078,147
Deficit	<u>(51,166)</u>	<u>(41,884)</u>
	<u>1,729,315</u>	<u>1,036,263</u>
	<u><u>\$1,852,868</u></u>	<u><u>\$1,070,146</u></u>

Approved on behalf of the Board

..... "Charles D. Robbins" Director

..... "C. C. Casselman" Director

The accompanying notes are an  
integral part of these financial  
statements.

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## AUDITORS' REPORT

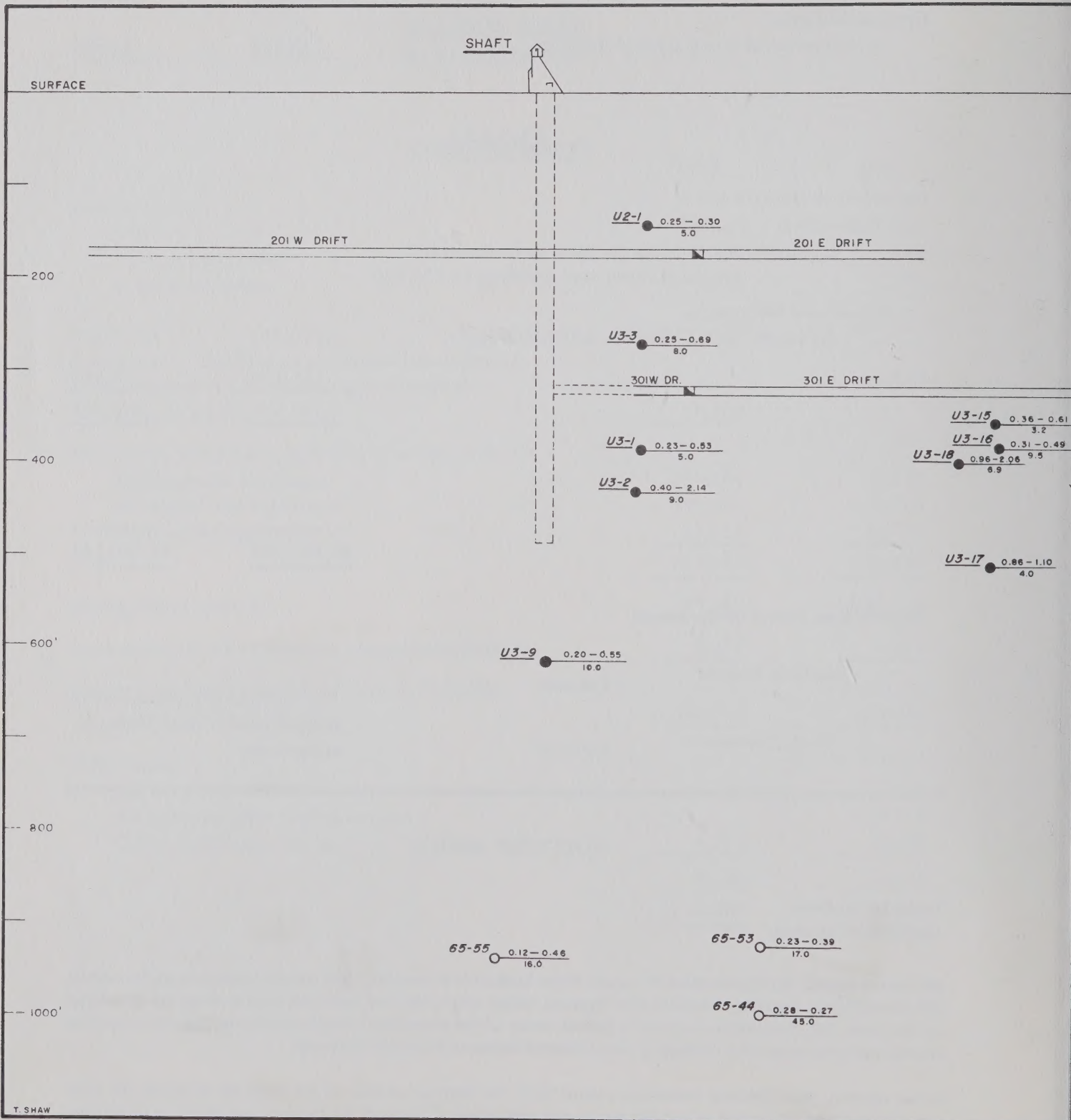
To the Shareholders,  
Agassiz Mines Limited.

We have examined the balance sheet of Agassiz Mines Limited as at June 30, 1969 and the statements of exploration and development, including administrative expenses, deficit and source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at June 30, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
August 11, 1969.

EDDIS & ASSOCIATES,  
Chartered Accountants.





**AGASSIZ MINES LIMITED**  
**(No Personal Liability)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 1969**

1. Fixed assets are stated at cash cost. Since the company is still in the development stage, no depreciation has been provided on depreciable fixed assets.
2. Mining claims are as follows:

Lynn Lake, Manitoba

12 mineral claims and 2 fractions held under lease, acquired in consideration of the issue of 750,000 shares of the capital stock of the company, at the value attributed to the shares at the time of issue

187,500

Coppermine River Area, Northwest Territories

45% interest in 15 unpatented claims acquired for cash with obligation to pay 50% of all exploration and development costs

2,250  
\$189,750

Under the terms of an agreement dated January 31, 1968 the cost of the diamond drilling programme on the claims in the Coppermine River Area was shared as follows:

Ranworth Explorations Limited	\$7,000
Fundy Exploration Limited	\$6,597
Agassiz Mines Limited	\$6,597

By the same agreement, Ranworth Explorations Limited was granted the right for a period of eighteen months from the date of the agreement to examine the claims. Ranworth Explorations Limited was also given the right to earn a percentage interest in the claims (not to exceed 45%) at the rate of 1% for each \$1,000 spent in excess of the initial \$7,000 contribution.

3. Participation in Oil Exploration Programmes:

Rainbow Lake, Alberta

The company has an interest in a farmout agreement whereby it has earned a 1-1/4% interest in 3,200 acres in the Rainbow Lake Area, Alberta. One well was drilled on the property to a depth of 7,200 feet and proved to be a dry well. Company's share of cost to date

9,375

#### Milligan Creek, British Columbia

The company has earned the following interest in leases in the Milligan Creek Area, British Columbia:

1-1/4% interest in 1,211 acres known as P & NG lease no. 3942

5% interest in 1,732 acres known as P & NG lease no. 5344.

Six wells were drilled and all proved to be dry holes and were abandoned. The company's share of the drilling programme, \$22,365, was written off to deficit in 1968.

	1
\$	9,376

#### 4. Capital Stock:

During the year ended June 30, 1969, 1,216,667 shares of capital stock were issued for \$702,334 cash.

400,000 shares were issued in August, 1968 to The Value Line Special Situations Fund, Inc., New York, pursuant to an agreement dated August 19, 1968. It was a condition of the agreement that the purchaser may maintain by further purchase its proportionate percentage of the outstanding shares during the three-year period following the date of closing (August 28, 1968). As at June 30, 1969 the company has reserved 79,500 unissued treasury shares in this connection.

33,333 shares of capital stock are under option to C. D. Robbins at 50¢ per share, the said option being exercisable at any time between August 18, 1969 and August 18, 1970.

#### 5. Underwriting and Option Agreement:

By agreement August 11, 1969 the underwriter-optionee has agreed to subscribe and pay for 75,000 shares of capital stock at 40¢ per share payable on the "effective date" of the agreement.

The "effective date" is defined as the next business day following (a) the obtaining of a final receipt for the company's Statement of Material Facts from the Vancouver Stock Exchange (b) acceptance by the Winnipeg Stock Exchange and the Canadian Stock Exchange of notice of the agreement (c) the granting of an exemption by the Quebec Securities Commission in connection with the issue; and (d) the granting by the Manitoba Securities Commission to Richfield Securities Limited and Quoddy Investment Co. Limited registration as underwriters in connection with the agreement.

By the same agreement the company granted to the underwriter-optionee an option on an additional 75,000 shares at 45¢ per share exercisable within three months after the effective date.

#### 6. Remuneration of Directors and Officers:

The total remuneration paid to directors and officers of the company during the year ended June 30, 1969 was \$28,175.

**AGASSIZ MINES LIMITED****(No Personal Liability)****STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT  
INCLUDING ADMINISTRATIVE EXPENSES****For The Year Ended June 30, 1969**

	Deferred at June 30 1968	Incurred during the Year	Deferred at June 30 1969
Lynn Lake Property:			
Diamond drilling	249,793	8,192	257,985
Drifting and cross-cutting		225,368	225,368
Shaft sinking	15,228	100,300	115,528
Engineering	51,608	23,205	74,813
Camp supplies and expense	15,351	56,439	71,790
Wages — surface labour	5,848	49,834	55,682
Oil supply	2,462	52,122	54,584
Supervision	23,969	20,750	44,719
Repairs		34,724	34,724
Equipment rental	6,173	26,726	32,899
Road making and line cutting	26,270	4,228	30,498
Travelling	18,351	2,473	20,824
Assays	14,981	4,841	19,822
Truck expenses	2,396	4,290	6,686
Miscellaneous expense	2,737	2,285	5,022
Geophysical survey	3,861	1,040	4,901
Insurance	530	3,348	3,878
Telephone and telegraph		2,633	2,633
Trenching and stripping	2,023		2,023
Lease payments	924		924
	442,505	622,798	1,065,303
Other Mining Exploration:			
Coppermine Area N.W.T.	1,265	6,597	7,862
Dismal Lake N.W.T.	3,193		3,193
	446,963	629,395	1,076,358
Add: Administrative expenses per schedule	121,291	86,322	207,613
	568,254	715,717	1,283,971
Less: Transferred to deficit		3,193	3,193
Total deferred expenditures	\$568,254	\$712,524	\$1,280,778

**AGASSIZ MINES LIMITED**

(No Personal Liability)

**SCHEDULE OF DEFERRED ADMINISTRATIVE EXPENSES**  
**For The Year Ended June 30, 1969**

	Deferred at June 30 1968	Incurred during the Year	Deferred at June 30 1969
Legal and audit	34,100	21,836	55,936
Publicity and shareholders' information	33,393	18,147	51,540
Office salaries and expenses	21,895	24,896	46,791
Executive salary	10,895	9,500	20,395
Head office travel	6,081	8,182	14,263
Fees and taxes	9,853	2,907	12,760
Transfer agents' fees	4,516	5,611	10,127
Telephone and telegraph	7,115	2,718	9,833
Printing	4,644	4,577	9,221
Office rent	4,546	1,390	5,936
Stock salesmen's commissions	5,054		5,054
Secretary fees	3,400		3,400
Miscellaneous	1,916	1,114	3,030
Directors' fees	2,025	475	2,500
	<u>149,433</u>	<u>101,353</u>	<u>250,786</u>
Less:			
Profit on sale of investments	12,442	10,362	22,804
Interest earned	<u>15,700</u>	<u>4,669</u>	<u>20,369</u>
	<u>28,142</u>	<u>15,031</u>	<u>43,173</u>
	<u>\$121,291</u>	<u>\$ 86,322</u>	<u>\$207,613</u>

**STATEMENT OF DEFICIT**  
**For the Year Ended June 30, 1969**

	1969	1968
Balance, at beginning of the year	41,884	17,892
Add:		
Oil exploration — share of cost of drilling dry holes at Milligan Creek, British Columbia	689	22,365
Expired option re Dismal Lake property	5,400	
Exploration — Dismal Lake	3,193	
Exploration — Costa Rica		1,627
Balance, at end of the year	<u>\$51,166</u>	<u>\$41,884</u>

**AGASSIZ MINES LIMITED**

**(No Personal Liability)**

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

**For The Year Ended June 30, 1969**

	<u>1969</u>	<u>1968</u>
Funds Provided:		
Issue of capital stock	702,334	270,000
Interest earned on short-term deposits	4,669	5,280
Profit on purchase and sale of investments	10,362	12,442
Repayment of advance to mining company	5,731	
Return of deposit	<u>1,800</u>	
	<u>724,896</u>	<u>287,722</u>
Funds Applied:		
Purchase of mine buildings	53,942	92,216
Purchase of mine machinery and equipment	75,729	45,709
Purchase of automotive equipment	2,940	7,584
Purchase of investments	24,650	
Purchase of office equipment	2,261	(399)
Exploration and development	629,395	87,320
Administrative expenses	101,353	66,773
Acquisition of interest in mining claims, Northwest Territories		2,250
Deposits		2,260
Advances to other mining company		5,731
Participation in oil exploration programmes	<u>689</u>	<u>3,413</u>
	<u>890,959</u>	<u>312,857</u>
Decrease in working capital	166,063	25,135
Working capital at beginning of the year	<u>101,284</u>	<u>126,419</u>
Working capital (deficiency) at end of the year	<u>\$ (64,779)</u>	<u>\$101,284</u>







